

HOUSE BILL NO. 158

INTRODUCED BY S. AUGARE

BY REQUEST OF THE GOVERNOR

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR TRIBAL GOVERNMENTAL ELIGIBILITY FOR ALL GRANTS AND LOANS UNDER THE BIG SKY ECONOMIC DEVELOPMENT PROGRAM; AND AMENDING SECTIONS 90-1-201, 90-1-202, 90-1-203, 90-1-204, AND 90-1-205, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 90-1-201, MCA, is amended to read:

"90-1-201. Big sky economic development program -- definitions. (1) (a) There is a big sky economic development program that consists of:

(i) the big sky economic development fund established in 17-5-703; and

(ii) the economic development special revenue account provided for in 90-1-205.

(b) Interest and income from the big sky economic development fund may be used to administer the big sky economic development program and to provide financial assistance for qualified economic development purposes under this part.

(2) As used in this part, the following definitions apply:

(a) "Certified regional development corporation" has the meaning provided in 90-1-116.

(b) "Department" means the department of commerce provided for in 2-15-1801.

(c) "Economic development organization" means:

(i) (A) a private, nonprofit corporation, as provided in Title 35, chapter 2, that is exempt from taxation under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code, 26 U.S.C. 501(c)(3) or 501(c)(6);

(B) an entity certified by the department under 90-1-116; or

(C) an entity established by a local government; or

(ii) an entity actively engaged in economic development and business assistance work in a region of the state.

(d) "High-poverty county" means a county in this state in which 14% or more of people of all ages are in poverty as determined by the U.S. bureau of the census estimates for the most current year available.

(e) "Local government" means a ~~tribal government~~, county, consolidated government, city, town, or district or local public entity with the authority to spend or receive public funds.

(f) "Tribal government" means any one of the seven federally recognized tribal governments of Montana and the Little Shell Band of Chippewa Indians."

Section 2. Section 90-1-202, MCA, is amended to read:

"90-1-202. Purpose. The legislature finds and declares that economic development is a public purpose. The purpose of the big sky economic development program is to assist in economic development for Montana that will:

- (1) create good-paying jobs for Montana residents;
- (2) promote long-term, stable economic growth in Montana;
- (3) encourage local economic development organizations;
- (4) create partnerships between the state, local governments, tribal governments, and local economic development organizations that are interested in pursuing these same economic development goals;
- (5) retain or expand existing businesses;
- (6) provide a better life for future generations through greater economic growth and prosperity in Montana; and
- (7) encourage workforce development, including workforce training and job creation, in high-poverty counties by providing targeted assistance."

Section 3. Section 90-1-203, MCA, is amended to read:

"90-1-203. Types of financial assistance available. (1) The department shall provide for and make grants and loans available to local governments and tribal governments for economic development projects and to certified regional development corporations from the money in the economic development special revenue account provided for in 90-1-205.

(2) A grant or loan may not be used for a project that would result in the transfer or relocation of jobs from one part of the state to another part of the state."

Section 4. Section 90-1-204, MCA, is amended to read:

"90-1-204. Priorities for funding -- rulemaking. (1) The department must receive proposals for grants

1 and loans from local governments and tribal governments. A local government shall work with an economic
2 development organization on a proposal. The department shall work with the local government and the economic
3 development organization or with an applicant tribal government in preparing cost estimates for a proposed
4 project. In reviewing proposals, the department may consult with other state agencies with expertise pertinent
5 to the proposal.

6 (2) (a) The department shall adopt rules necessary to implement the big sky economic development
7 program. In adopting rules, the department shall look to the rules adopted for the treasure state endowment
8 program and other similar state programs. To the extent feasible, the department shall make the rules compatible
9 with those other programs. To the extent feasible, the department shall employ an approach pertaining to the use
10 of funds so that, except as provided in subsection (2)(b), the needs of rural areas are balanced with the needs
11 of the state's urban centers.

12 (b) For high-poverty counties, the department shall employ an approach pertaining to the use of funds
13 that is intended to lower poverty levels in the county to a percentage at which the county no longer is defined as
14 a high-poverty county.

15 (c) The rules must provide for the types of uses of funds available under the big sky economic
16 development program. The types of uses of funds by:

17 (i) local governments and tribal governments include but are not limited to:

18 (A) a reduction in the interest rate of a commercial loan for the expansion of a basic sector company;

19 (B) a grant or low-interest loan for relocation expenses for a basic sector company; and

20 (C) rental assistance or lease buy-downs for a relocation or expansion project for a basic sector
21 company;

22 (ii) a certified regional development corporation or a tribal government include:

23 (A) support for business improvement districts and central business district redevelopment;

24 (B) industrial development;

25 (C) feasibility studies;

26 (D) creation and maintenance of baseline community profiles; and

27 (E) matching funds for federal funds, including but not limited to brownfields funds and natural resource
28 damage funds.

29 (d) (i) The rules must provide for distribution methods for financial assistance available to local
30 governments and tribal governments. The rules must provide for distribution based upon the number of jobs

1 expected to be created because of the funding.

2 (ii) Funding may not exceed \$5,000 for each expected job, except that funding for a project in a
3 high-poverty county may not exceed \$7,500 for each expected job.

4 (iii) The rules must require equal matching funds for a grant or loan, except that the rules for a grant or
5 a loan in a high-poverty county may allow a 50% to 100% match requirement for the high-poverty county.

6 (e) The rules may provide for greater incentives for a high-poverty county.

7 (f) The rules must provide for the full or partial repayment of a grant if the new jobs or some of the new
8 jobs for which a grant is given are not created.

9 (g) A grant or loan may be made only for a new job that has an average weekly wage that meets or
10 exceeds the current average weekly wage of the county in which the employees are to be principally employed."

11
12 **Section 5.** Section 90-1-205, MCA, is amended to read:

13 **"90-1-205. Economic development special revenue account.** (1) There is an economic development
14 state special revenue account. The account receives earnings from the big sky economic development fund as
15 provided in 17-5-703. The money in the account may be used only as provided in this part.

16 (2) The money in the account is statutorily appropriated, as provided in 17-7-502, to the department. Of
17 the money that is deposited in the account that is not used for administrative expenses:

18 (a) 75% must be allocated for distribution to local governments and tribal governments to be used for
19 job creation efforts; and

20 (b) 25% must be ~~distributed~~ allocated for distribution to certified regional development corporations, ~~and~~
21 economic development organizations that are located in a county that is not part of a certified regional
22 development corporation, and tribal governments."

23
24 NEW SECTION. **Section 6. Notification to tribal governments.** The secretary of state shall send a
25 copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
26 Chippewa tribe.

27 - END -